

Section 525 Water Service Charges

525.01 DEFINITIONS Unless the context specifically indicates otherwise, the meaning of terms used in this Ordinance shall be as follows:

- a) **COMMERCIAL USER** shall mean any user whose premises are used primarily for the conduct of a profit-oriented enterprise in the fields of construction, wholesale or retail trade, finance, insurance, real estate or services.
- b) **DEBT SERVICE CHARGES** shall mean all costs associated with repayment of debts incurred for the construction and/or rehabilitation of water facilities.
- c) **INDUSTRIAL USER** shall mean any user whose premises are used primarily for the conduct of a profit-oriented enterprise in the fields of manufacturing, dairy products processing, meat processing, other food and drink products, painting or finishing operations, transportation, communications or utilities, mining, agriculture, forestry, or fishing.
- d) **OPERATION AND MAINTENANCE (O&M) COSTS** shall mean all costs associated with the operation and maintenance of the water facilities, water supply and treatment works. These costs shall be divided proportionately among the various classes of water users.
- e) **PUBLIC USER** shall mean any user whose premises are used primarily by a governmental entity, private school or public school.
- f) **REPLACEMENT FUND** shall mean the restricted account funded through the Water Service Charge that is necessary to accumulate the resources as required to maintain capacity and performance during the design life of the facility.
- g) **RESIDENTIAL EQUIVALENCY UNITS (REU)** are a value assigned to each water user based on the relationship to a single family dwelling. A single family dwelling is defined as a mobile home, a seasonal dwelling, a duplex unit, an apartment unit, a single family detached dwelling or a multi-family unit.
- h) **RESIDENTIAL USER** includes single-family homes, mobile homes, duplex units and apartment units. Each single-family residential unit shall be invoiced as a separate user.
- i) **USER** means any entity connected to the water system, including Public Users, Commercial Users, Residential Users, and Industrial Users.
- j) **USER CLASSES** are categories of users having similar flow and use characteristics. For the purposes of this Ordinance, there shall be four user classes: Residential, Commercial, Industrial and Public.
- k) **WATER SERVICE CHARGE** is a service charge levied on users of the water system for payment of Debt Service, Operation and Maintenance costs and Replacement of said facilities. The Water Service Charge consists of two parts, the fixed REU Charge and the variable Volumetric Charge.

525.02 POLICY. It shall be the policy of the City to obtain sufficient revenues to pay the costs for the debt service, operation and maintenance and funding the replacement account of the water facilities through a system of water service charges as defined in this section. The system shall assure that each user of the water facilities pays their proportionate share of the cost of such water facilities.

525.03 ASSIGNING RESIDENTIAL EQUIVALENCY UNITS (REU). REU values are assigned to each water user based on the relationship to a single family dwelling. A single family dwelling is defined as a mobile home, a seasonal dwelling, a duplex unit, an apartment unit, a single family detached dwelling or a multi-family unit. Residential users are assigned one REU per unit. Commercial, Industrial, and Public users are assigned REU's based on metered water usage or, where water usage records are not

available, based on estimates prepared by the City Engineer. In no event shall any user be assigned a residential equivalent unit less than one. A list of assigned REU's is provided in Appendix A.

525.03 BASIS FOR WATER SERVICE CHARGE. The Water Service Charge shall be sufficient to pay Operation and Maintenance costs, Debt Service charges and Replacement Fund costs. In general, the fixed REU Charge shall be sufficient to pay Debt Service Charges and Replacement Fund costs and the Volumetric Charge sufficient to pay Operation and Maintenance costs. Users shall be notified annually of the portion of service charges attributable to debt service and operation, maintenance, and replacement.

- a) **REU CHARGE.** A REU Charge is hereby imposed on all users of the water system. The REU Charge shall be computed by dividing the proposed annual Debt Service charges and Replacement Fund budget by the estimated number of REU's. The REU rate shall be multiplied by the number of assigned REU's to determine the monthly fixed charge for each user.
- b) **VOLUMETRIC CHARGE.** A Volumetric Charge is hereby imposed on all users of the water system. The Volumetric Charge shall be computed by dividing the proposed annual Operation and Maintenance budget by the estimated volume of water sold. The resulting unit price shall be multiplied by the metered water use to determine the variable monthly charge for each user.

525.04 WATER USE CHARGE AMOUNTS. The rates in this Ordinance shall be reviewed by the City not less than biennially. Rates shall be adjusted, as required, to reflect the actual number and class of users, actual costs and actual metered water sales. The assignment of REU's and the Water Use Charge are listed in Appendix A.

525.05 PENALTY. 18% per month

525.06 CONNECTION. Actual charges to connect to the system

525.07 SHUT-OFF/RECONNECTION. \$75.00

525.08 Public Utilities Cost Adjustment. Actual

This Ordinance, Adopted October 6th, 2014 repeals Chapter V Section 550 including all subsections thereof previously adopted.

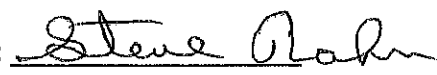
EFFECTIVE DATE

This ordinance becomes effective January 1st, 2015

Attest:


City Administrator

Mayor:


Steve Rahn